

Meeting of the Retirement Plan for CTA Employees
Board of Trustees
April 28, 2022
VIA MICROSOFT TEAMS

Regular Session and Two Executive Sessions
Meeting Minutes

The Board of Trustees of the Retirement Plan for Chicago Transit Authority Employees, by way of Microsoft Teams and telephone conference calls, and in compliance with the Illinois COVID-19 Executive Order, convened on April 28, 2022, at the hour of 9:30 a.m., and adjourned at 10:40 a.m. There was an Executive Session.

At the direction of the Chairman, a roll call was taken and established that the following Trustees were participating.

Mr. Tom McKone, Chairman
Mr. Keith Hill, Vice-Chairman
Ms. Toi Bowers
Mr. John Burkard
Mr. Joseph Burke
Mr. Tiant Gatewood
Mr. Jeremy Fine
Ms. Theresa Fletcher-Brown
Ms. April Morgan
Mr. Paul Sidrys
Mr. Mark Weems
Mr. Weems appeared for Eric Dixon
Mr. Gatewood appeared for Woodrow Eiland

Mr. Kallianis reported that a quorum was present.

John Kallianis participated as the Executive Director. Richard W. Burke of Burke, Warren, MacKay & Serritella, P.C. participated as General Counsel. Participating on behalf of the ATU 241 Trustee was Ron Willis of Dowd, Bloch, Bennett, & Cervone. Participating on behalf of the ATU Local 308 Trustee was Anita Tanay. Participating on behalf of the RTA Trustee was Dan Salemi of Morgan Lewis & Bockius. Also participating were Kweku Obed of Marquette Associates and John Kerulis of Legacy Professionals LLP.

Consideration of Minutes from prior Meetings

The Chairman called for consideration of the minutes of the March 24, 2022 meeting. Mr. Sidrys made a motion to approve the minutes, which was seconded by Mr. Burkard. A roll call vote was taken. The motion passed on the vote of 11 yeses and 0 nos.

Mr. Richard Burke requested an Executive Session to consider the developments in the Williams Litigation, which case is presently at trial. Mr. McKone made a motion to go into Executive Session which was seconded by Mr. Burke. Mr. Kallianis called the roll and reported that the motion passed on a vote of 11 yeases and 0 nos.

Mr. Stephen Rosenblatt was invited to participate in the meeting as counsel for the Healthcare Trust as was Mr. Alex Vesselinovitch and Ms. Kathy Ehrhart, Trust Counsel for the Healthcare Trust. Mr. Willis withdrew from the meeting during the Executive Session.

There was then discussion in the Executive Session of the announcement by Judge Walker in regard to his involvement in the case.

The Executive Session commenced at 9:48 a.m. and lasted until 10:22 a.m. at which time the regular session then resumed. Upon resumption of the regular session Mr. McKone stated that in the Executive Session the trial attorneys reported to the Trustees the developments that occurred on April 27, 2022, when the trial judge disclosed for the first time that his father-in-law was a retired CTA employee. Trial Counsel discussed a response to that disclosure which was to be made this morning in Court by defendants' Counsel.

Mr. McKone made a motion which was seconded by Mr. Hill that directed counsel to move to remove or disqualify Judge Walker. A roll call was taken. The motion passed on a vote of 11 yeases and 0 nos.

Investment Committee

The Chairman then called for the report of the Investment Committee which was given by Mr. Obed. He stated that at the close of business on April 27, 2022 the market value of the investment portfolio was \$2,028,380,917.96. He then gave a report in regard to the market environment and then the performance of the portfolio.

Old Business

The Chairman then called for a report from the Personnel Committee. Mr. Kallianis gave a summary of his report to the Personnel Committee which met on April 21, 2022. In his report he gave an update on the job postings for Deputy Executive Director and Benefits Representative. He posted these job openings on the sites that the CTA Human Resources Department provided to increase the potential for a more diverse group of applicants. He reviewed four items, the Northern Trust Web Services portal, the Kelly Services Proposal, two items for the administrative support and the Buck Benefits administration software. He suggested that these items be referred to the general Administrative Committee.

Mr. Burkard left the meeting and Chris Kasmer took the seat vacated by Mr. Burkard. Mr. Kallianis then gave a presentation of the proposal given to the Committee by Mr. Jeff Mills from Segal Consulting. Mr. Kallianis stated that he thought that Personnel Committee and the Trustees should not make a decision at this point but to just talk about this operational organizational assessment. The Chairman stated that at this time he did not wish to assume that level of investment called for in the Segal report when there were alternatives potentially available. He stated that he really wanted to focus on the form, function and procedures of the office.

The first phase of this proposal would be not greater than \$55,000.00. Mr. Kasmer then made a motion to authorize the first part of the proposal from Segal for an amount not to exceed \$55,000.00. The motion was seconded by Ms. Morgan. A roll call vote was taken. At the conclusion of the roll call, Mr. Kallianis reported that the motion passed with a vote of seven yeses and four abstentions, namely Mr. Hill, Ms. Bowers, Mr. Gatewood and Mr. Sidrys.

Summary of Litigation

Mr. Richard Burke gave a summary of litigation. Mr. Kallianis reported that he had just received word that Judge Walker had recused himself from the trial after discussion of the Motion to Disqualify.

General Administration

Mr. Weems gave the report of the general Administration Committee. Mr. Hill made a motion to approve items 6 (a) through 6 (j) which motion was seconded by Mr. Kasmer. A roll call vote was taken. The motion passed on a vote of 11 yeses and 0 nos.

Mr. Weems reported that there were educational conference requests in for Trustees Gatewood, Bowers, Muhammed, Dixon and Weems. Mr. Hill made a motion to approve the requests for the Educational Conference attendance. Mr. Kasmer stated the Healthcare Trust will only pay for half of the costs namely for Mr. Weems and Mr. Dixon and for 241 it would be for Mr. Hill and his backup. For Mr. Muhammed and Mr. Gatewood, the full costs would be borne by the Retirement Plan. The motion to approve was made by Mr. Hill and seconded by Mr. Kasmer. A roll call vote was taken, and the motion passed on the vote of 11 yeses and 0 nos.

New Business

The first item was the proposed renewal of the fiduciary liability insurance. The proposal was discussed by Mr. Goesel of Alliant. This insurance is intended to cover the Trustees as well as the Executive Director and staff from claims alleging breach of fiduciary duty.

The proposal in the aggregate provides for an increase in premium of less than three and one-half percent for both coverages. Mr. Weems made a motion to approve the renewal with the present carriers with no changes on the fiduciary or the cyber coverage. Mr. Kasmer seconded the motion. A roll call vote was taken. The motion passed on a vote of 11 yeases and 0 nos.

The Chairman stated that there is consideration to be given to proposed changes of the Retirement Plan due to the collective bargaining agreement. Mr. Richard Burke reported that there were certain questions which should be answered at the Committee level and by the Trustees in regard to implementing the changes negotiated in collective bargaining. The matter is to be addressed by the Administration Committee and then brought to the Trustees for consideration.

Mr. Weems on behalf of the General Administration Committee said that he would consider the issues raised in the memorandum from Mr. Burke and others raised by the Executive Director at a general administration committee meeting.

The Chairman stated that an issued had been raised in a prior Executive Session in regard to certain personnel matters and he inquired if it would be appropriate to consider those personnel issues now. Ms. Bowers stated it would be appropriate to consider those. Ms. Bowers then made a motion to go into the Executive Session. The motion was seconded by Mr. Weems. A roll call vote was taken. The motion passed on a vote of 11 yeases and 0 nos. After discussion in the Executive Sessions the Regular Session returned.

The Chairman reported that in the Executive Session there had been discussion of personnel issues. Ms. Bowers made a motion that the raises which recently had been for certain personnel in the Plan Office be reversed due to ethical nature that the raises were given. Mr. Weems seconded the motion. A roll call vote was taken. Prior to the vote Ms. Bowers stated that she was particularly concerned about the raises given to three people, Elsa, David and Angel. A roll call vote was taken. The motion failed on a vote of four yeases and seven nos.

Mr. McKone made a motion requiring annual performance reviews for all of the staff in the Plan Office. The motion was seconded by Mr. Kasmer. The Chairman stated in response to a question that the performance review of Mr. Kallianis would be led by the Personnel Committee and would be a part of the Board discussion in Executive Session under Personnel Issues. A roll call vote was taken. The motion passed on a vote of 10 yeases and 1 abstention by Mr. Bowen.

Mr. Kasmer then made a motion to adjourn which was seconded by Mr. Sidrys. A roll call vote was taken. The motion passed on a vote of 11 yeases and 0 nos.

The meeting adjourned at 10:40 a.m.